

The conference agreement provides \$110,000,000 for Watershed and Flood Prevention Operations as proposed by the House instead of \$105,000,000 as proposed by the Senate.

The conferees expect the Department to give consideration for financial and technical assistance to the following: Upper Petit Jean (AR); Askalmore dam (MS); and Attoyac Bayou (TX).

WATERSHED REHABILITATION PROGRAM

The conference agreement provides \$30,000,000 for the Watershed Rehabilitation Program as proposed by the Senate. The House bill contained no such provision.

The conferees direct that funding be provided for rehabilitation of structures determined to be of high priority need as proposed by the Senate.

RESOURCE CONSERVATION AND DEVELOPMENT

The conference agreement provides \$51,000,000 for Resource Conservation and Development instead of \$55,079,000 as proposed by the House and \$50,000,000 as proposed by the Senate.

TITLE III

RURAL DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

The conference agreement provides \$640,000 for the Office of the Under Secretary for Rural Development as proposed by the House instead of \$898,000 as proposed by the Senate.

The conferees encourage the Secretary to consider a commercial off the shelf (COTS) automated collateral management system for loan origination and servicing to prevent fraudulent practices including losses associated with inflated appraisals.

The conference agreement does not include \$200,000 as proposed by the House for a National Groundwater Association study. The conference agreement includes \$200,000 for the National Groundwater Association to fund a pilot program involving inspector training and certification relative to proper well construction, maintenance, sampling and ensuring the overall safety of private wells in rural areas.

RURAL COMMUNITY ADVANCEMENT PROGRAM

The conference agreement provides \$907,737,000 for the Rural Community Advancement Program (RCAP) instead of \$950,298,000 as proposed by the House and \$867,176,000 as proposed by the Senate.

The conference agreement adopts Senate language providing \$30,000,000 for rural and native villages in Alaska.

The conference agreement provides \$18,333,000 for technical assistance grants for rural water and waste systems.

The conferees provide bill language that of the funds provided for technical assistance for rural water and waste systems, \$5,513,000 be designated for Rural Community Assistance Programs.

The conference agreement adopts language setting aside \$12,100,000 for the circuit rider program.

The conference agreement adopts Senate language setting aside \$25,000,000 for facilities in rural communities with extreme unemployment and severe economic depression.

The conference agreement adopts Senate language setting aside \$30,000,000 for grants in rural communities with extremely high-energy costs.

The conferees provide \$1,000,000 to carry out a demonstration program on replicating and creating cooperatives for home based health care and expect the Department to provide this service to historically under served communities.

The following table indicates the distribution of funding for the RCAP:

Community Facilities.....	\$96,800,000
Business-Cooperative Development.....	87,720,000
Water and Waste.....	723,217,000
Total	<u>907,737,000</u>

Earmarks:

Federally Recognized Native American Tribes.....	24,000,000
Rural Community Development Initiative.....	7,000,000
Technical Assistance for Rural Transportation.....	250,000
Delta Regional Authority.....	2,000,000
Colonias.....	25,000,000
Alaska Villages.....	30,000,000
Technical Assistance.....	18,333,000
Circuit Rider.....	12,100,000
EZ/EC and REAP.....	37,624,000
Economic impact initiative grants.....	25,000,000
High energy costs grants.....	30,000,000
CF Grant Tribal Colleges.....	4,000,000
Rural Health Cooperatives.....	1,000,000
RCAP.....	5,513,000

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The conferees expect the Department to give consideration to the following entities for RCAP grants and/or loans: the University of New Orleans for wetland aquatic plants; Berkeley County (WV) Public Service Water District Project; rural cooperative development grant for peanut marketing cooperatives; distance learning and telemedicine broadband grant from the Mississippi Economic Growth Alliance and Point of Presence, Inc.; water and waste disposal loan and grant for the City of Oxford (MS); rural business enterprise grant for Bosque (TX); and Delaware Bay and River Authority (NJ).

RURAL DEVELOPMENT SALARIES AND EXPENSES

The conference agreement provides \$145,736,000 for Rural Development Salaries and Expenses as proposed by the House instead of \$127,502,000 as proposed by the Senate.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

The conference agreement provides a total subsidy of \$305,517,000 for activities under the Rural Housing Insurance Fund Program Account instead of \$303,567,000 as proposed by the House and \$282,523,000 as proposed by the Senate. The conference agreement provides for an estimated loan program level of \$5,844,862,000 instead of \$4,551,457,000 as proposed by the House and \$3,932,173,000 as proposed by the Senate.

The conference agreement provides for a transfer of \$432,374,000 to salaries and expenses instead of \$434,980,000 as proposed by the House and \$455,630,000 as proposed by the Senate.

The conference agreement adopts Senate bill language regarding how Section 515 program funds may be used.

The conference agreement adopts House bill language regarding funding for the Section 515 program.

The conference agreement adopts Senate bill language regarding the 502 unsubsidized guaranteed program.

The following table indicates loan and subsidy levels provided in the conference agreement:

Rural Housing Insurance Fund Program Account:

Loan authorizations:

Single family (sec. 502)	(\$1,044,000,000)
Unsubsidized guaranteed	(4,528,000,000)
Rental housing (sec. 515).....	(115,805,000)
Multi-family housing guar(sec. 538)	(100,000,000)

Housing repair (sec. 504)	(35,000,000)
Credit sales of acquired property	(12,000,000)
Site loans (sec. 524)	(5,046,000)
Self-help housing land development fund	<u>(5,011,000)</u>

Total, Loan authorizations (5,844,862,000)

Loan subsidies:

Single family (sec. 502)	213,350,000
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Unsubsidized guaranteed	21,600,000
Rental housing (sec. 515).....	54,000,000
Multi-family housing guar. (sec. 538)	4,500,000
Housing repair (sec. 504).....	10,857,000
Credit sales of acquired property	934,000
Site loans (sec. 524)	55,000
Self-help housing land development fund ..	<u>221,000</u>

Total, Loan subsidies 305,517,000

RHIF administration expenses (transfer to RD) 432,374,000

RENTAL ASSISTANCE PROGRAM

The conference agreement provides \$726,000,000 for the Rental Assistance Program instead of \$722,000,000 as proposed by the House and \$730,000,000 as proposed by the Senate.

RURAL HOUSING ASSISTANCE GRANTS

The conference agreement provides \$42,498,000 for Rural Housing Assistance Grants as proposed by the House instead of \$47,498,000 as proposed by the Senate.

The conference agreement does not adopt Senate bill language regarding Demonstration Housing Grants.

MUTUAL AND SELF-HELP HOUSING GRANTS

The conference agreement provides \$35,000,000 for Mutual and Self-Help Housing Grants as proposed by the House and Senate.

FARM LABOR PROGRAM ACCOUNT

The conference agreement provides \$36,307,000 for the Farm Labor Program Account instead of \$38,000,000 as proposed by the House and \$34,615,000 as proposed by the Senate.

The conference agreement provides \$17,647,000 for loan subsidies, and \$18,661,000 for grants of which \$15,578,000 is for farm labor housing grants and \$3,082,000 is for grants for migrant and seasonal farm workers.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

The conference agreement provides \$40,000,000, the same as proposed by both the House and Senate.

The conference agreement adopts House language providing for a transfer of \$4,190,000 to salaries and expenses instead of \$4,290,000 as proposed by the Senate.

RURAL COOPERATIVE DEVELOPMENT GRANTS

The conference agreement provides \$9,000,000 for Rural Cooperative Development Grants, the same as proposed by both the House and Senate.

The conference agreement adopts Senate language for cooperatives or associations of cooperatives, whose primary focus is to provide assistance to small,

minority producers and whose governing board and/or membership is comprised of at least 75 percent minority.

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

The conference agreement provides \$14,967,000 for Rural Empowerment Zones and Enterprise Communities Grants as proposed by the House and Senate.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

The conference agreement provides a total subsidy of \$12,458,000 for activities under the Rural Electrification and Telecommunications Loans Program Account. The conference agreement provides for an estimated loan program level of \$5,566,132,000 as proposed by the Senate instead of \$4,516,136,000 as proposed by the House.

The conference agreement adopts Senate bill language that provides guaranteed underwriting loans.

The conference agreement adopts House language providing for a transfer of \$37,833,000 to salaries and expenses instead of \$38,035,000 as proposed by the Senate.

The following table indicates loan and subsidy levels provided in the conference agreement:

Rural Electrification and Telecommunications Loans Program Account:

Loan authorizations:

Electric:

Direct, 5 percent..... (\$121,103,000)
Direct, Muni (100,000,000)
Direct, FFB..... (2,600,000,000)
Direct, Treasury rate (1,150,000,000)
Guaranteed (100,000,000)
Guaranteed underwriting..... (1,000,000,000)

Subtotal..... (5,071,103,000)

Telecommunications:

Direct, 5 percent (75,029,000)
Direct, Treasury rate..... (300,000,000)
Direct, FFB..... (120,000,000)
Subtotal..... (495,029,000)

Total, loan authorizations(5,566,132,000)

Loan subsidies:

Electric:

Direct, 5 percent 6,915,000
Direct, Muni 4,030,000
Guaranteed..... 80,000
Subtotal..... 11,025,000

Telecommunications:

Direct, 5 percent 1,283,000
Direct, Treasury rate..... 150,000
Subtotal..... 1,433,000

Total, loan subsidies..... 12,458,000

RETLP administrative expenses (transfer to RD)37,833,000

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The conference agreement provides \$174,615,000 for the Rural Telephone Bank Program Account as proposed by the Senate instead of \$174,638,000 as proposed by the House.

The conference agreement provides for a transfer of \$3,082,000 to salaries and expenses as proposed by the House and Senate.

DISTANCE LEARNING AND TELEMEDICINE PROGRAM

The conference agreement provides \$56,941,000 for the Distance Learning and Telemedicine Program instead of \$44,128,000 as proposed by the House and \$51,941,000 as proposed by the Senate.

The conference agreement provides for an estimated loan program level of \$300,000,000 for distance learning and telemedicine and \$80,000,000 for broadband telecommunications.

The conference agreement provides \$10,000,000 in grants to support broadband transmission and local dial-up Internet services for rural areas as proposed by the Senate.

The conference agreement provides \$42,813,000 for distance learning and telemedicine grants and grants for translators to broadcast digital signals.

TITLE IV

DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER
SERVICES

The conference agreement provides \$603,000 for the Office of the Under Secretary for Food, Nutrition and Consumer Services as proposed by the House instead of \$774,000 as proposed by the Senate.

The conference agreement includes \$125,000,000 for a contingency fund for the Special Supplemental Program for Women, Infants, and Children (WIC), as proposed by the Senate, instead of \$150,000,000 as proposed by the House.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

The conference agreement provides \$10,580,169,000 for Child Nutrition Programs as proposed by the Senate instead of \$10,576,169,000 as proposed by the House.

Included in this amount is an appropriated amount of \$5,834,506,000 and a transfer from section 32 of \$4,745,663,000. Within the appropriated amount, the conferees provide \$3,300,000 for a school breakfast pilot program, of which no less than \$1,000,000 is for Wisconsin, as proposed by the Senate. The House had no similar provision. The conferees note that of the appropriated funds provided in the Child Nutrition Programs \$200,000 for one-time costs is to be directed to the Common Roots Program, as proposed by the Senate. The House had no similar

provision. The conferees provide \$500,000, as proposed by the Senate, for one-time costs associated with the establishment of the Child Nutrition Archive Resource Center at the National Food Service Management Institute. The House had no similar provision.

The conference agreement includes a provision prohibiting use of funds for studies and evaluations, ~~except as specifically provided,~~ as proposed by the House. The Senate had no similar provision. The conference agreement does not include language regarding limits on and transfers of funds for studies and evaluations, as proposed by the Senate.

The conference agreement includes a general provision to expand the number of low-income children in child care centers ~~that~~ ^{who} receive meals through the Child and Adult Care Feeding Program, as proposed by the Senate. The House had no similar provision.

The conference agreement provides the following for Child Nutrition programs:

TOTAL OBLIGATIONAL AUTHORITY

Child Nutrition Programs:

School lunch program	\$6,074,648,000
School breakfast program	1,660,870,000
Child and adult care food program	1,904,494,000
Summer food service program	334,686,000
Special milk program	16,449,000
State administrative expenses	133,583,000
Commodity procurement and computer support	435,334,000
School meals initiative/Team nutrition	10,025,000

Coordinated review effort	5,080,000
Food safety education	1,000,000
School breakfast pilot project	3,300,000
Common Roots Program	200,000
Child Nutrition Archive Center	500,000
Total	\$10,580,169,000

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

(WIC)

The conference agreement provides \$4,696,000,000 for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) instead of \$4,776,000,000 as proposed by the House and \$4,751,000,000 as proposed by the Senate. Of the total, the conference agreement provides \$125,000,000 for a reserve account, to remain available until expended, as proposed by the Senate, instead of \$150,000,000, available through fiscal year 2004, as proposed by the House.

The conference agreement includes a provision prohibiting use of funds for studies and evaluations, except as specifically provided, as proposed by the House. The Senate had no similar provision. The conference agreement does not include language regarding limits on and transfers of funds for studies and evaluations, as proposed by the Senate.

The conferees provide \$25,000,000 for the farmers' market nutrition program, as proposed by the both the House and Senate, but do not direct that the funds be obligated within 45 days in bill language, as proposed by the Senate. The conferees strongly urge the Secretary to make these funds available as soon as possible after enactment.

The conference agreement provides \$2,000,000 for the evaluation of WIC vendor practices, as proposed by the House and Senate.

FOOD STAMP PROGRAM

The conference agreement provides \$26,313,692,000 for the food stamp program as proposed by the House instead of \$26,289,692,000 as proposed by the Senate. Included in this amount is a reserve of \$2,000,000,000.

The conference agreement includes a provision prohibiting use of funds for studies and evaluations as proposed by the House. The Senate had no similar provision. The conference agreement does not include language regarding limits on and transfers of funds for studies and evaluations, as proposed by the Senate.

The conference agreement includes a provision allowing for purchase of bison meat, in an amount not to exceed \$3,000,000, for the Food Distribution Program on Indian Reservations (FDPIR), instead of not to exceed \$4,000,000, as proposed by the Senate. The House had no similar provision.

COMMODITY ASSISTANCE PROGRAM

The conference agreement provides \$164,500,000 for the Commodity Assistance Program, instead of \$170,000,000, as proposed by the House, and \$167,000,000 as proposed by the Senate. Included in that amount is \$50,000,000 for administration of The Emergency Food Assistance Program (TEFAP), as proposed by the House, instead of \$55,000,000 as proposed by the Senate. The conference agreement includes a general provision that provides the Secretary with authority to transfer up to \$10,000,000 from TEFAP commodity purchase to administration, which includes processing, storage, transport and distribution.

The conferees provide \$114,500,000 for the Commodity Supplemental Food Program, instead of \$120,000,000, as proposed by the House, and \$107,000,000 as proposed by the Senate.

The conference agreement does not include \$5,000,000 for senior farmers' market activities, as proposed by the Senate. The House had no similar provision. The conferees note that the Department provides \$15,000,000 for the senior farmers' market program through the Commodity Credit Corporation. *pursuant to P.L. 107-171.*

The conference agreement does not include a provision on state requests related to the TEFAP program, as proposed by the Senate. The House had no similar provision.

FOOD DONATIONS PROGRAMS

The conference agreement provides \$1,081,000 for Food Donations Programs, as proposed by the House and Senate. The conferees have acceded to the administration's proposal to transfer the Nutrition Services Incentives Program to the Department of Health and Human Services. The conferees expect these funds to be used only for meals, that they not be transferred to fund other activities and that state matching requirements will not be applied to the program. The conferees also expect that the ability of states to request commodities in lieu of cash will be retained.

FOOD PROGRAM ADMINISTRATION

The conference agreement provides \$136,560,000 for Food Program Administration, instead of \$134,397,000 as proposed by the House and \$136,865,000 as proposed by the Senate. Included in this amount is not less than \$7,500,000 to improve integrity in the Food Stamp Program and Child Nutrition Program, instead of \$8,500,000 as proposed by the House and \$11,000,000 as proposed by the Senate.

The conferees have provided a \$3,195,000 increase for studies and evaluations to be carried out by the ~~Food Program Administration~~ ^{Department}. The conferees direct the Department to report to the Committees on Appropriations on the studies and evaluations to be carried out, ~~by FPA~~. This information should include a comprehensive list of planned studies, including the intent and funding level of

each study, and the time frame during which each study will be carried out. The conferees direct the agency to submit a summary of each study to the Committees on Appropriations when completed.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

The conference agreement provides \$129,948,000 for the Foreign Agricultural Service instead of \$129,964,000 as proposed by the House and \$131,198,000 as proposed by the Senate.

The conference agreement provides \$5,049,000 for E-Government, and an increase of \$1,000,000 for the Cochran Fellowship Program.

PUBLIC LAW 480 TITLE I AND TITLE II PROGRAM AND GRANT ACCOUNTS

The conference agreement provides \$116,171,000 for Title I loan subsidies for a loan level of \$154,664,000 as proposed by the Senate.

The conference agreement provides \$25,159,000 for Ocean Freight Differential as proposed by the Senate.

The conference agreement provides \$1,200,000,000 for Public Law 480 Title II as proposed by the House instead of \$1,185,000,000 as proposed by the Senate.

The conference agreement does not include House bill language that requires the Secretary to submit a plan on the use of \$350,000,000 of Title II funds.

The following table reflects the conference agreement for Public Law 480 program accounts:

Public Law 480

Title I- Program account:

Loan authorization, direct	(\$154,664,000)
Loan subsidies	116,171,000
Ocean freight differential	25,159,000

Title II-Commodities for disposition abroad:

Program level	(1,200,000,000)
Appropriation	1,200,000,000

Salaries and expenses:

Foreign Agricultural Service (transfer to FAS)	1,033,000
Farm Service Agency (transfer to FSA)	<u>1,026,000</u>
Subtotal	<u>2,059,000</u>

Total, Public Law 480:

Program level	(1,354,664,000)
Appropriation	1,343,389,000

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement provides total appropriations, including Prescription Drug User Fee Act and Medical Device User Fee Act collections, of \$1,630,727,000 for the salaries and expenses of the Food and Drug Administration, instead of \$1,599,602,000 as proposed by the House and \$1,631,530,000 as proposed by the Senate, and provides specific amounts by FDA activity as reflected in the following table.

<i>Program</i>	<u>Budget Authority</u>	<u>Prescription Drug User Fees</u>	<u>Medical Device User Fees</u>	<u>Total</u>
Foods	413,347,000	0	0	413,347,000
Human Drugs	278,067,000	148,604,000	0	426,671,000
Biologics	146,849,000	46,623,000	6,227,000	199,699,000
Animal Drugs and Feeds	88,972,000	0	0	88,972,000
Medical Devices	194,720,000	0	13,965,000	208,685,000
NCTR	40,688,000	0	0	40,688,000
Rent and Rent- related activities	36,498,000	0	416,000	36,914,000
Other Activities	84,685,000	19,871,000	2,926,000	107,482,000
Rental Payments to GSA	98,876,000	7,802,000	1,591,000	108,269,000
Net Appropriation	1,382,702,000	222,900,000	25,125,000	1,630,727,000

Resources for the field force of FDA, the Office of Regulatory Affairs, are included in the program amounts above, and total \$474,315,000. Included are \$264,235,000 for foods, \$95,155,000 for human drugs, \$30,060,000 for biologics,

\$31,097,000 for animal drugs and feeds, and \$53,768,000 for devices. The conferees note that the agency has flexibility in using its field resources to respond to public health emergencies within the existing reprogramming requirements and expect the agency to use that flexibility when necessary.

The conference agreement provides the full budget authority requested for counter-terrorism activities, which is an increase of \$152,276,000 over the regular fiscal year 2002 appropriation for a total of \$159,048,000. The conference agreement provides increases of \$5,000,000 for adverse event monitoring and reporting and \$28,552,000 for pay cost increases as requested in the President's fiscal year 2003 budget.

The conference agreement makes \$25,125,000 in new medical device user fees available for the agency, as proposed by the Senate. This provision was not in the House bill, since it preceded passage of the authorizing legislation. The conference agreement provides a budget authority increase of \$15,199,000 for the device program, which includes \$4,000,000 over the budget request, instead of an increase of \$19,199,000, as proposed by the Senate, and \$11,199,000 as proposed by the House. The device program total including user fees is \$208,685,000, which represents a \$29,164,000 increase over the fiscal year 2002 regular appropriation. The conference agreement also provides an increase of \$6,227,000 in device user fees for the biologics program. The conferees expect that these

substantial investments will significantly reduce application review times for medical devices.

The conference agreement funds the generic drugs program at \$44,532,000, an increase of \$5,332,000 over the fiscal year 2002 level, and expect the increase provided to be applied to meeting statutory timeframes for application review. The generics total includes \$750,000 above the budget request, instead of \$1,500,000 as proposed by the Senate and no increase above the request as proposed by the House. The conferees note that FDA should continue funding generic drug education activities at no less than \$400,000 and expect increased consumer education in 2003.

The conference agreement makes \$222,900,000 available to FDA for prescription drug user fees, a \$61,184,000 increase over the amount available in fiscal year 2002. The conference agreement also makes mammography user fees and export certification user fees available to the agency.

The conferees do not approve the proposed transfer of the Offices of Public Affairs and Legislative Affairs out of the agency and include funding for those offices in the total provided for this account.

The conferees note the importance of continued support for the Office of Women's Health, and direct that no less than \$3,000,000 be made available to that office. In addition, the conferees note that the Food and Drug Administration

(FDA) has responded to the Women's Health Initiative (WHI) by recommending updated labeling for the entire class of hormone replacement therapy products. While the conferees believe that the FDA's action was an important step in the right direction, the Federal government needs to go even further in communicating clear and concise information to women and health professionals about hormone therapy. The conferees encourage the FDA to partner with medical professional and women's health groups, as well as other Federal agencies, to conduct a public awareness outreach campaign about the use of hormone therapy, including treatment of menopausal symptoms, which was not addressed in the WHI study.

The conferees provide an increase of \$1,000,000 for the CFSAN Adverse Event Reporting System (CAERS), instead of no increase as proposed by the House and \$2,000,000 as proposed by the Senate, for a total of \$6,600,000. CAERS is designed to ensure prompt identification of and response to adverse health events related to foods, including dietary supplements.

The conference agreement also provides an increase of \$250,000 for development of advanced test methods for foods at New Mexico State University, instead of no increase as proposed by the House and \$503,000 as proposed by the Senate.

The conference agreement includes a total of \$8,300,000 for the Unified Financial Management System, as proposed by both the House and Senate. The

conferees note that any additional resources for this system are subject to notification and approval by the Committees on Appropriations.

The conferees direct that at least \$2,100,000 of the funds appropriated for FDA activities be used in support of Codex Alimentarius activities, as proposed by the Senate.

The conferees are aware that the Department of Health and Human Services is currently working to ensure that health care providers and first responders are vaccinated in the event of a public health emergency. Recognizing that a small percentage of the population may have an allergic reaction to natural rubber, the conferees encourage the Secretary to ensure that alternatives are readily accessible to those individuals allergic to the gloves normally provided. Additionally, the conferees are aware that the FDA proposed regulations in 1999 to reclassify all surgeons' and patient examination gloves as Class II medical devices. The conferees encourage the FDA to finalize those regulations.

The conferees are aware that the FDA has not finalized its proposed rule to require manufacturer tracking of blood-derived products and prompt patient notification of adverse events, and request a report on the status of the rule by March 1, 2003.

The conferees are aware of concerns regarding the sale of turtles as pets. The occurrence of Salmonella is frequent in all reptiles sold as pets, yet the FDA

has banned only the sale of turtles under a certain size. The conferees expect the agency to respond to citizen petitions on this topic promptly. The conferees expect a report by March 1, 2003, describing the current regulation, and the status of the agency's response to related citizen petitions.

The conferees believe that print advertisements for pharmaceuticals should present information relating to side effects, contraindications and the effectiveness of advertised pharmaceuticals in the format that is most useful to consumers consistent with existing law. The conferees are aware that FDA addressed the issue of requirements for print drug advertisements in an April 2001 draft guidance. The conferees encourage FDA to work with consumers and industry to revise this draft guidance as necessary and move towards its finalization.

The conferees are concerned with the number of reprogramming proposals submitted for consideration by the FDA, and would like to remind the Agency that reprogramming requests should be submitted only in the case of an unforeseeable emergency, or situation that could not have been predicted when formulating the budget request for the current fiscal year. Further, the conferees note that when an agency submits a reprogramming request to the Committees on Appropriations and does not receive identical responses from the House and Senate, it is the responsibility of the agency to reconcile the House and Senate differences before

proceeding, and if reconciliation is not possible, to consider the reprogramming request unapproved.

BUILDINGS AND FACILITIES

The conference agreement includes \$8,000,000 for buildings and facilities, as proposed by the House, instead of \$11,000,000, as proposed by the Senate. The conference agreement fully funds the budget request.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

The conference agreement provides \$85,985,000 for the Commodity Futures Trading Commission, instead of \$79,884,000 as proposed by the House and \$93,985,000 as proposed by the Senate. The total includes \$8,815,000 for pay parity, as authorized in P.L. 107-171, and \$700,000 for retention bonuses.

The conferees understand that the Commission has undertaken an investigation of Enron, its affiliates, and energy trading by other entities, which has required significant resources from the agency's enforcement program. The conferees further understand that the agency's enforcement staff has devoted the resources of 30 staff members (which is equivalent to 25 percent of the staff for the Division of Enforcement), interviewed or taken testimony from at least 170 individuals, and reviewed in excess of 2 million pages of documents. The

conferees direct the Commission to provide a report on its activities in this area prior to the fiscal year 2004 appropriations hearings.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

The conference agreement includes a limitation of \$38,400,000 on administrative expenses of the Farm Credit Administration (FCA), as proposed by the House, instead of \$38,404,000, as proposed by the Senate. ~~The conference agreement does not include language relating to the limitation, as proposed by the House, or similar language proposed by the Senate.~~

The conferees recommend an increase in the limitation of FCA's administrative expenses to allow the FCA flexibility to deal with hiring and retention issues. This flexibility would allow the FCA Board to make adjustments to the budget, if necessary. The conferees understand that this action will not result in an increase in the amount of assessments on system institutions during the current fiscal year. The conferees request a report on the outcome of the FCA study related to hiring and retention needs, including the actual limitation amount necessary, the amount of carryover funds in FCA's reserve, and the change, if any, in the amount of the assessments on system institutions.

TITLE VII – GENERAL PROVISIONS

House and Senate Section 703. – The conference agreement deletes the old Section 703 authorizing research and service work under the Bankhead-Jones Act.

House Section 736. - The conference agreement (Section 703) authorizes employment pursuant to the Department of Agriculture Organic Act of 1944 and 5 U.S.C. 3109.

House and Senate Section 704. – The conference agreement (Section 704) retains the existing general provision regarding unobligated balance transfers to the Working Capital Fund.

House and Senate Section 705. – New obligational authority language.

House and Senate Section 713. – The conference agreement (Section 713) gives permanent authority to the Agricultural Marketing Service, the Grain Inspection, Packers and Stockyard Administration, the Animal and Plant Health Inspection Service, and the Food Safety & Inspection Service to use cooperative agreements, notwithstanding chapter 63 of title 31, United States Code.

House and Senate Section 720. – The conference agreement (Section 720) modifies ~~Section 720~~ to include “the Secretary of Agriculture, ~~or the Secretary~~

of Health and Human Services, or the Chairman of the Commodity Futures Trading Commission.” The conferees are seriously concerned by the

growing frequency of departmental and agency initiatives for which the required prior notification to the Committees on Appropriations ~~of the~~

~~House and Senate~~ has not been provided. The conferees note the

efficiencies which attach to the least possible statutory requirements and the

benefits which accrue to the more flexible Congressional direction expressed

in Committee reports. However, the continuing practice of reliance on

Committee report language must be accompanied by departmental and

agency compliance with Congressional directives. Section 720 of this Act,

and similar language included in previous acts, provide detailed guidelines

to the U.S. Department of Agriculture, the Food and Drug Administration,

and the Commodity Futures Trading Commission for those activities that

require prior notification to the Congress. Such notification was not

provided in the recent release of Section 32 funds for the creation of a

Livestock Compensation Program; the establishment of a Faith-Based and

Community Initiatives Center; the improper use of Conservation Operations

funds for the implementation of Farm Bill programs; and other similar

violations of statutory reprogramming and prior notification requirements.

The conferees expect full compliance with Section 720 in the areas of state office collocations, administrative and information technology convergence, and all other activities that fall within the scope of that sections. The conferees also expect that no reprogramming of funds occur in the absence of an emergency or not as a consequence of unforeseen events. Further, the conferees note that when an agency submits a reprogramming request to the ~~House and Senate~~ Committees on Appropriations and does not receive identical responses ~~from~~ the House and Senate, it is the responsibility of the agency to reconcile the House and Senate differences before proceeding, and if reconciliation is not possible, to consider the reprogramming request unapproved.

House and Senate Section 721. - The conference agreement (Section 721) does not include the date change as proposed by the House.

House and Senate Section 722. - The conference agreement (Section 722) does not include the date change as proposed by the House.

House and Senate Section 726. - The conference agreement (Section 726) provides \$3,000,000 for Bill Emerson and Mickey Leland Hunger Fellowships.

House Section 728. – The conference agreement (Section 728) provides \$26,499,000 for Section 375 (e)(6)(B) of the Consolidated Farm and Rural Development Act.

House Section 729 and 743, and Senate Section 732. – The conference agreement (Section 729) combines these sections and ^{includes} adds the cities of Coachella, CA, Dunkirk, NY, Starkville, MS, Shawnee, OK, and Berlin, New Hampshire.

House Section 730, 748, and 751. – The conference agreement (Section 730) considers the cities of Hollister, Salinas, and Watsonville, CA; Caldwell, ID; Casa Grande, AZ; ^{Aberdeen, SD;} and Vicksburg, MS, as meeting the requirements of a rural area in section 520 of the Housing Act of 1949.

~~(WAS ABERDEEN, SD DELETED? IT IS NOT IN THE BILL.)~~

House Section 731. – The conference agreement (Section 731) directs that watershed and flood prevention financial and technical assistance shall be provided to DuPage County, IL, Waynewood Drainage Improvement Project, not to exceed \$1,600,000.

House Section 732. – The conference agreement (Section 732) adds language that allows any current Rural Utilities Service borrower within 100 miles of New York City to ~~remain~~ ^{be} eligible for additional financing, refinancing, collateral flexibility, and deferrals.

House Section 733. – The conference agreement does not include additional funding for payments of livestock losses to producers and deletes this section.

House Section 734. – The conference agreement (Section 733) prohibits any transfer of funds appropriated in this Act except as authorized by this or any other appropriation Act.

Senate Section 729. – The conference agreement (Section 734) prohibits the closure or relocation of the Food and Drug Administration Division of Pharmaceutical Analysis in St. Louis, Missouri, outside the city or county limits.

Senate Section 730. – The conference agreement does not include language that prohibits funding the salary of anyone violating the “Buy America Act.”

Senate Section 731. – The conference agreement (Section 735) amends Section 17(a)(2)(B) of the Richard B. Russell National School Lunch Act by striking “2002” and inserting “2003”.

Senate Section 733. – The conference agreement does not provide funds for demonstration housing grants in Wisconsin.

Senate Section 734. – The conference agreement (Section 736) directs the Natural Resources Conservation Service to provide financial and technical assistance to Embarras River Basin, Lake County Watersheds, and DuPage County, Illinois in the Watershed and Flood Prevention Operations program.

Senate Section 735. – The conference agreement (Section 737) gives the Secretary authority to use up to 20 percent of the amount provided to carry out a competitive grants program under section 401 of the Agricultural Research, Extension, and Education Reform Act of 1988.

Senate Section 736. – The conference agreement (Section 738) provides watershed and flood prevention financial and technical assistance to the Upper Tygart Valley Watershed, to include 100 percent of the engineering assistance and 75 percent for installation of water supply components. *cost share*

Senate Section 737. – The conference agreement (Section 739) authorizes the Department of Agriculture to use any unobligated salaries and expenses funds to reimburse the Office of General Counsel for representing such agencies in the resolution of complaints by employees before the Equal Employment Opportunity Commission and other employment dispute agencies.

Senate Section 738. – The conference agreement (Section 740) prohibits the use of funds appropriated by this act to pay the salaries of personnel to carry out section 14(h)(1) of the Watershed Protection and Flood Prevention Act. (A)

Senate Section 739. – The conference agreement (Section 741) prohibits the use of funds appropriated by this act to pay the salaries of personnel to carry out subtitle I of the Consolidated Farm and Rural Development Act. (A)

Senate Section 740. – The conference agreement (Section 742) prohibits the use of funds appropriated by this act to pay the salaries of personnel to carry out section 6405 of Public Law 107-171. (A)

Senate Section 741. – The conference agreement (Section 743) prohibits the use of funds appropriated by this act to pay the salaries of personnel to carry out section 9010 of P.L. 107-171 that exceeds 77 percent of the payment that would otherwise be paid to eligible producers.

Senate Sections 742 and 743. – The conference agreement (Section 744) combines these sections and authorizes watershed and flood prevention operations financial and technical assistance for the Kuhn Bayou (Point Remove) project in AR, and the Matanuska River erosion control project in AK.

Senate Section 744. – The conference agreement (Section 745) amends the Food for Progress Act of 1985.

Senate Section 745. – The conference agreement (Section 746) rescinds \$795,400 under the Cooperative State Research, Education, and Extension Service, Buildings and Facilities appropriation.

Senate Section 746. – The conference agreement (Section 747) prohibits funds in excess of \$20,000,000 that have been appropriated in fiscal year 2003 or preceding years as authorized under the Agricultural Trade Development and Assistance Act of 1954, to be used to reimburse the Commodity Credit Corporation for the release of eligible commodities under the Bill Emerson Humanitarian Trust Act.

Senate Section 747. – The conference agreement (Section 748) authorizes financial and technical assistance to the Dry Creek/Neff's Grove project, UT, and the Jefferson River Watershed, MT.

Senate Section 748. – The conference agreement (Section 749) includes a provision regarding the OPEN-Denali Commission.

Senate Section 749 and House Section 752. – The conference agreement (Section 750) rescinds \$5,000,000 of fiscal year 2003 of experimental Rural Clean Water Program funds.

Senate Section 750. – The conference agreement (Section 751) includes language regarding Alaska's dairy and milk industry.
OPEN-AK Dairy Loans & Grants

Senate Section 751. – The conference agreement does not authorize the transfer of funds from the Food and Nutrition Service to the Economic Research Service to conduct studies or evaluations.

Senate Section 752. – The conference agreement (Section 752) includes language regarding ~~waives matching requirements for~~ the Ogonowski farm.

Senate Section 753. – The conference agreement (Section 753) provides the Secretary of Agriculture with authority to authorize employees of the Department to carry and use firearms for personal protection while conducting field work in remote locations.

House Section 735 and Senate Section 754. – The conference agreement (Section 754) provides not more than \$28,000,000 for the Export Enhancement Program in fiscal year 2003.

House Section 737. – The conference agreement does not include a general provision limiting the alteration and repair of buildings.

House Section 738. – The conference agreement (Section 755) OPEN-Florida Citrus Canker does not include language regarding citrus canker. This matter is addressed in Division N of this conference agreement.

House Section 739. – The conference agreement does not include House Section 739 regarding the release of sensitive information. The Senate had no similar provision. The conferees fully expect that all departments and agencies for which funding is made available by this Act give careful scrutiny to the release of information in order to ensure adequate protections are maintained for all departmental and agency personnel. The conferees do not imply that there should be a disruption of routine agency reporting of program activities directed either through statute or agency practice, but that general safeguards should be in place to ensure security for all facilities and personnel.

755)
House Section 740. – The conference agreement (Section 7 56) makes the municipality of Carolina, Puerto Rico, eligible for grants and loans of the Rural Utilities Service.

756)
House Section 741. – The conference agreement (Section 7 57) includes language prohibiting the use of funds to carry out section 7404 of P.L. 107-171. This prohibition will allow the Department to conduct its assessment of a National Academy of Sciences study that was released on December 10, 2002. The conferees agree that any similar study must be thoroughly justified prior to any expenditure of funds.

757)

House Section 742. – The conference agreement (Section 7 58)
authorizes the Agricultural Marketing Service and the Grain Inspection,
Packers and Stockyards Administration, to purchase interest-bearing
investments outside of Treasury without posting them as obligations and
outlays in the records of the agency as long as they are insured and/or
collateralized.

House Section 744 and Senate Section 728. – The conference
agreement (Section 7 59) provides \$10,000,000 for costs associated with
the distribution of commodities under the Food Stamp Act of 1977 up to

House Section 745. – The conference agreement (Section 7 60)
includes the House provision regarding a
Wetlands Reserve Acreage Limitation.

House Section 746. – The conference agreement (Section 7 61)
includes the House provision regarding an
Environmental Quality Incentives Program Limitation.

House Section 747. – The conference agreement (Section 7 62)
does not include a
Conservation Security Program Limitation.

House Section 749. – The conference agreement does not include a
general provision concerning the consolidation of the Food and Drug
Administration Office of Public Affairs and Office of Legislation.

House Section 753. – The conference agreement does not include a
limitation on contracts with corporations in tax haven countries.

includes language regarding

Senate Section 755. – The conference agreement (Section 761) 761) 63

amends the Rural Electrification Administration cushion of credit payments loan program.

Senate Section 756. – The conference agreement does not include language regarding the restoration of fish, wildlife, and associated habitats in watersheds of certain lakes.

Senate Section 757. – The conference agreement (Section 762) 762) 64 provides \$250,000,000 for assistance for emergency relief activities and makes the funds available through September 30, 2004.

Senate Section 758. – The conference agreement (Section 763) 763) 65 includes language regarding oilseeds. OPEN-Marketing Assistance Loans and Loan Deficiency Payments for other Oilseeds, etc.

Senate Section 759. – The conference agreement (Section 764) 764) 66 amends section 524 of the Federal Crop Insurance Act by changing “may” to “shall” in regards to a grant to the Northeast Center for Food Entrepreneurship at the University of Vermont.

Senate Section 760 and House Section 750. – The conference agreement (Section 765) includes language regarding (Section 765) 67 OPEN-Price Support Adjustments, the Agricultural Adjustment Act of 1938.

Senate Section 761. – The conference agreement does not include language expressing the Sense of the Senate regarding conservation technical assistance. The House had no similar provision. The conferees very strongly concur with an opinion issued by the General Accounting Office ^(GAO) on October 8, 2002, that conservation technical assistance for a number of Farm Bill conservation programs should be provided from funds of the Commodity Credit Corporation and that use of Conservation Operations appropriations for that purpose is contrary to law. Elsewhere in this Act, language is provided ^{consistent with} ~~to emphasize~~ the legal finding of the GAO on this issue. The conferees strongly direct the Secretary of Agriculture to ^{Administration} reconsider immediately ^{its position} ~~the Department's misinterpretation of law~~ in order to ^{prevent} ~~avoid the~~ USDA from being responsible for making impossible the delivery of conservation programs necessary for protection ^{of} ~~on~~ this nation's natural resources.

Senate Section 762. – The conference agreement (Section ⁷⁶⁶⁾ ~~7~~ 68) extends the time period for certain Rural Housing Service funds.

The conference agreement includes language (Section 767) relating to popcorn acreage.

Senate Section 763. – The conferees (Section 769) expect the Secretary to conduct a program signup for popcorn producers after the effective date to allow such producers to sign up for program benefits, to amend any information submitted in any earlier program signup(s), and to make any adjustments in the farm's bases and yields resulting from this provision.

Senate Section 764. – The conference agreement (Section 770) does not include Senate section 764 expressing the Sense of the Senate regarding international humanitarian food assistance. The conferees note the worsening conditions in many nations where adverse weather, social upheaval, warfare, and other causes have placed millions of people in dire threat of starvation. In addition, increased commodity prices have further strained the resources for food aid made available through direct appropriations. The conferees direct the Secretary of Agriculture to give immediate attention to the growing risk and reality of this global tragedy, as witnessed in Africa and other continents, and make use of existing authorities of the Commodity Credit Corporation to assist in food assistance to those areas. In addition, the Secretary should consult with the President on the need to submit an emergency supplemental request to the Congress to make additional resources available for this purpose.

Senate Section 765. – The conference agreement (Section 7__71) does not include language

9 OPEN-Study on the sale of milk into California.

The conference agreement (Section 7(68)72) rescinds \$11,000,000 of fiscal year 2002 and prior year funds out of section 523(b)(1)(A) of the Housing Act of 1949.

The conference agreement (Section 7(69)73) provides that the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) shall be exempt from the across-the-board rescission under section 601 of division N.

The conference agreement (Section 7(70)74) includes language regarding the ~~Enhanced Federal Grain Warehouse Licensing Program~~. grain warehouses

The conference agreement (Section 7(71)75) includes language regarding organic standards for meat.

CONFERENCE TOTAL--WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2003 recommended by the Committee of Conference, with comparisons to the fiscal year 2002 amount, the 2003 budget estimates, and the House and Senate bills for 2003 follow:

[in thousands of dollars]	
New budget (obligational) authority, fiscal year 2002.....	\$ 73,078,443
Budget estimates of new (obligational) authority, fiscal year 2003.....	73,530,527
House bill, fiscal year 2003.....	74,263,068
Senate bill, fiscal year 2003.....	74,701,068
Conference agreement, fiscal year 2003.....	74,391,068
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 2002.....	+1,312,625
Budget estimates of new (obligational) authority, fiscal year	
2003.....	+860,541
House bill, fiscal year 2003.....	+128,000
Senate bill, fiscal year 2003.....	-310,000